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**Agriculture
Canada**

Canada

UNITED STATES

AGRI-FOOD EXPORT MARKET ASSESSMENT FOR THIRD COUNTRY DISPLACEMENT

May 1992

International Programs Directorate
Agriculture Canada

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FOR THIRD COUNTRY DISPLACEMENT
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Objective To provide a market analysis of Canadian export opportunities for third country displacement under the Canada United States Trade Agreement.

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1. INTRODUCTION

1.1 Forward

This study was undertaken under the auspices of the Federal/Provincial Market Development Council to develop a methodology to identify Canadian Agri-food products with potential for import substitution as a result of the planned tariff reductions under the Canada United States Trade Agreement (CUSTA).

1.2 Purpose

The implementation of the Canada-U.S. Free Trade Agreement (CUSTA) on January 1, 1989 created the largest bilateral trading treaty in the world. For agriculture from the Canadian perspective, the agreement endeavoured to improve and secure access to the U.S. market by gradually eliminating tariffs and addressing other non-tariff barriers to trade. As tariff levels are reduced, the cost of importing Canadian products should fall creating an opportunity to displace third-country exports to the U.S..

As these tariffs are reduced the price sensitivity of Canadian products will be most significant for Canadian producers situated in the median cost range. The challenge therefore is to identify those products where price competitiveness would improve enough through tariff reductions to convince U.S. importers to switch to a Canadian supplier of like products.

The objective of the study was to develop a simplified methodology which could be used by small and medium sized Canadian companies and government officials to identify broad product categories that hold potential for import substitution in the U.S. as a result of CUSTA. The study objective assumed that once potential product groups were identified additional analysis would be required by the private sector involved in that area in conjunction with their provincial government representatives.

After a preliminary analysis of 51 product categories using the methodology developed the following categories showed potential for import substitution.

Spinach, frozen
Pasta, Stuffed, frozen
Asparagus, Fresh/Chilled Other
Pasta not frozen
Sweet biscuits; Waffles not frozen
Crisp Bread
Rusks, Toasted Bread and Others
Cucumbers Inc. Gherk
Couscous Pasta not prepared
Corn Chips and Similar Crisps
Prepared Foods not frozen

1.3 Methodology

The first step of the study was to group all Canadian agri-food products into one of three categories based on the rate of duty applied on exports to the U.S. These groups were for products with tariffs greater than 10%, with tariffs between 5% and 10% and for those products with tariffs under 5%. Products were then eliminated where considerations other than tariffs have a major impact on competitiveness (ie supply management, U.S. import quotas etc.) or where Canada already has at least 85% of the U.S. import market.

The next step was to select a representative sample of agri-food products for further analysis. The data for these products was obtained using the U.S. Customs data base. The value and volume data reported by the U.S. were then used to calculate a per unit cost by dividing the value by the volume.

Canada's competitiveness and potential for import substitution were judged primarily on the basis of a per unit cost. The landed costs included custom duties and transportation costs. Many other non tariff factors can also influence the competitiveness of a product including quality, reliability and service. When contemplating the purchase of a product the importer must take these factors into consideration plus appraise the effect of the initial purchase price, customs duties and transportation costs. Thus, when comparing the competitiveness of several suppliers the sum of these factors normally would have to be taken into consideration.

The per unit cost of the products selected were compared for each exporting nation to determine relative competitiveness. The effect of CUSTA was added to determine if Canadian market share could be influenced as tariff reductions come into effect.

The Customs duties reported in the following tables were calculated by multiplying the tariff rate obtained from the Harmonized Tariff Schedule of the United States by the previously calculated per unit cost. When discussing customs duties and the potential opportunities that may appear as a result of CUSTA the reader should be aware that there are a number of other countries that also have preferential tariffs into the U.S. that are equal or superior to Canada's even at the end of the CUSTA phase-in period. The most notable competitors are Israel who also have a Free Trade Agreement and the Caribbean Basin Initiative countries which enjoy a one way tariff free status on a number of agri-food products in addition to having a number of duty free zones for manufactured products.

1.4 Limitations of the Methodology

Competitiveness data used in this study are only as reliable as the U.S. trade data provided. Some limitations are introduced due to the way products are aggregated and reported by U.S. Customs. For example, the product group "Prepared Meals of Turkey" could include both high value TV dinners and lower value meat pies. In this example there are two supplier nations reported with per unit costs of \$2/Kg (Canada) and \$4/Kg (Israel) respectively. It would appear Canada has a price advantage and a potential opportunity for import substitution but the difference could be attributable to other factors such as product variation, container sizes, packaging, ingredients etc making direct comparisons difficult.

Data precision is also affected by rounding where a certain amount of error is introduced into the per unit cost calculated by this method. If we consider the example where Canada shipped 5,000 Kg of a product with a landed value of \$10,000 the per unit cost is calculated as $\$10,000 \div 5,000 \text{ Kg} = \$2/\text{Kg}$. However, both the volume and value may have been rounded off to the nearest thousand. The trade volume could fall between 4,500 Kg and 5,500 Kg, while the value could be between \$9,500 and \$10,500 resulting in a real per unit cost somewhere between \$1.73/Kg and \$2.33/Kg. Therefore, when comparing per unit costs it must be remembered that there will be a degree of variance that will vary with the level of trade. To generalize, if the total value of a commodity is greater than \$1 million the amount of variance is negligible. However a variance of up to 30 cents can be expected when the value is less than \$50,000. Thus when comparing per unit costs between nations that are only slightly different (i.e., 10 cents or less) these differences should be considered as insignificant.

Other limitations include the fact that the U.S. only adopted the International Harmonized System of Codes in 1989. This limited the data available to the years 1989 and 1990. The lack of historical data imposed additional limitations as the evaluation of opportunities was based on only two years of information and did not allow for the longer term monitoring of import trends.

A significant part of the development of the methodology for this study concerned the effect transportation costs have in Canada's competitive position in the U.S. market. Transportation costs can be divided into two categories; 1) inter-continental transportation and 2) North American transportation (includes Canada and Mexico). Inter-continental shipments are usually made by air for highly perishable commodities, and by sea for more durable commodities. North American shipments for both are normally made by truck or rail.

Air cargo rates are calculated on the bases of weight, volume or Unit Load Device (ULD). Airlines can operate on scheduled or on a chartered bases. Scheduled airlines generally charge rates approved by the International Air Transport Association (IATA) which are generally higher than chartered services. While charter service rates are generally lower the contractual arrangements can be very complex.

The other mode of shipment that is commonly used for agri-food products is Marine Transportation which can also be divided into scheduled (Liner) and charter services. Scheduled services are used generally used for relatively small shipments (under 400 tonnes), while shipments greater than 700 tonnes are more suitable for chartered vessels. Liner companies normally operate as part of a shipping conference or cartel set up to serve common trade routes (ie. Canada-United Kingdom Eastbound) where all members agree on rates and schedules but compete with each other on service, equipment and ports served. Charter services normally do not operate on fixed routes or regular schedules. As charter companies operate on a per voyage bases they will normally offer lower freight rates but they are unpublished and are negotiated individually based on a variety of complex factors.

Rail and road transportation, the modes most commonly used for North American commerce are the most complex. Legalized secret documents, discounts, rebates, state regulations and the high trade-off between price and service make it extremely difficult generalize on rail and road transportation in North America.

Obviously, the evaluation of transportation factors can be very complex. For practical purposes it was assumed that the per unit costs calculated included the costs of customs duties and transportation.

2. DATA SOURCES

The U.S. customs data used in this study was provided by the Industry, Science and Technology Canada, Market Intelligence Division. The Agriculture Canada, Office of Trade Evaluation provided a number of statistics and reports from the World Trade Data Base.

3. ANALYSIS

From the initial table of Canadian products classified by tariff group a representative sample of products were selected from Chapter 7 (Edible Vegetables and Certain Roots and Tubers) and Chapter 19 (Preparations of Cereals, Flour, Starch, or Milk; Bakers' Wares), of the Harmonized Tariff Schedule of the United States (1991) for analysis using the methodology developed. The analysis of this preliminary group showed a number of product with some potential opportunity for import substitution. The analysis also seemed to show a trend where Canada was many times the lowest cost supplier, yet was well down the list in terms of market share. As a result an additional group of value added agri-food products with low or no tariffs was looked at to see how Canada fared without regard to tariff considerations.

In all the study examined 51 product categories. These products are listed in Table 1.

To determine the competitiveness of each product group an individual analysis follows in the summary sheets provided.

4. CONCLUSIONS

Based on the relatively straight forward and simple approach of the methodology developed caution must be exercised in drawing specific conclusions due to the limitations described earlier. The methodology however can still provide a rough indication of broad products categories with potential opportunity for import substitution.

The conclusion of this study that there are a few basic commodities such as vegetables where the reducing of a high tariff under CUSTA could present new opportunities for Canadian exports. In many cases however independent of tariffs, Canada was one of the lowest cost suppliers but also did not have a significant market share.

In many of the products examined, especially those with any degree of value added, diminishing tariffs are not going to automatically result in export opportunities.

The methodology chosen also does not allow for the effects of other non-tariff factors of product characteristics and supplier services in the analysis of competitiveness. From discussion with industry officials and the review of various reports, it is obvious that non-tariff factors are often more of a major determinate of Canadian success in entering the U.S. market than tariff structures.

Canada has a number of natural advantages in servicing the U.S. market, but a more detailed analysis of each of the factors identified is required to determine whether it is lack of supply, presentation of product, marketing ability or other elements which prevent Canada from realizing an increased market share from CUSTA.

As a final conclusion this study would recommend that a further detailed look be taken to:

- ✧ use the methodology developed to study the remainder of the product groups with a high Canadian tariffs that were not looked at in this study due to time constraints;
- ✧ examine in more detail Canadian competitiveness for products that historically have not had tariffs but for which other supplying nations do;
- ✧ examine transportation advantages/disadvantages and costs for Canadian producers shipping like goods into the U.S. as compared to Europe and Asia;
- ✧ examine in detail a few of the product groups where Canada has a tariff advantage or appears to be a lowest cost supplier but yet has low market share to determine what non tariff factors are responsible;
- ✧ more information is needed to critically examine Canada's export readiness and awareness of what it takes to export successfully.

- Summary of Agri-Food Products Examined -

Product Categories From U.S. Tariff Tables

Chapter 7	Edible Vegetables and Certain Roots and Tubers
Chapter 19	Preparations of Cereals,Flours, Starch or Milk; Bakers' Wares
Chapter 20	Preparations of Vegetable, Fruits, Nuts or other Parts of Plants
Chapter 21	Misc Edible Preparations (Processed Food)

Product Detail Lines Chosen for further Study

Vegetables	0704.20.00.00	Brussels Sprouts, Fresh/Chilled
	0704.90.40.20	Broccoli Fresh or Chilled
**	0709.20.90.00	Asparagus, Fresh/Chilled Other
	0709.51.00.00	Mushrooms, Fresh or Chilled
	0710.10.00.00	Potatoes, Unc/Cooked: frozen
	0710.22.40.10	Green or waxed beans, sliced, frozen
	0710.22.40.90	Other beans, cut or sliced, frozen
**	0710.30.00.00	Spinach, frozen
	0710.40.00.00	Sweet corn, frozen (89% market share)
	0710.80.20.00	Mushrooms, Unc/Cooked, frozen
	0710.80.65.00	Brussels sprouts, frozen
	0710.80.70.40	Carrots, frozen
	0710.80.70.60	Other vegetables, frozen
	0710.80.85.00	Brussels sprouts, sliced, frozen
	0710.80.95.10	Asparagus, cut or sliced, frozen
	0710.80.95.22	Broccoli spears, frozen
	0710.80.95.24	Broccoli, other, containers > 1.4 Kg, frozen
	0710.80.95.26	Broccoli, other, containers < 1.4 Kg, frozen
	0710.80.95.30	Cauliflower, cut or sliced, frozen
	0710.80.95.50	Other vegetables, sliced, frozen
	0710.90.90.00	Other mixtures, frozen
**	0711.40.00.00	Cucumbers Inc. Gherk
Processed Products	1901.90.10.00	Malt Extract, Fluid
	1901.90.20.00	Malt Extract, Solid or Condensed
	1902.19.40.00	Pasta, uncooked with sauce
**	1902.20.00.40	Pasta,Stuffed, frozen
	1902.20.00.60	Pasta, Stuffed not frozen
**	1902.30.00.60	Pasta not frozen
**	1902.40.00.00	Couscous Pasta not prepared
	1904.20.00.00	Prepared Foods by swelling of Cereals
**	1904.90.00.40	Prepared Foods not frozen
	1905.10.00.00	Crispbread
**	1905.10.00.00	Crisp Bread
	1905.20.00.00	Gingerbread and Like
	1905.30.00.20	Frozen Sweet Biscuits; Waffles
**	1905.30.00.40	Sweet biscuits; Waffles not frozen
**	1905.40.00.00	Rusks, Toasted Bread and Others
	1905.90.10.60	Other Bread, Pastry,Cakes
**	1905.90.90.30	Corn Chips and Similar Crisps
	1905.90.90.60	Pizza and Quiche
	1905.90.90.90	Other Bread
	2003.10.00.09	Straw Mushrooms
	2003.10.00.09	Straw Mushrooms P/P no Vinegar
	2004.10.40.00	Yellow Potatoes, pres/prep by vinegar, frozen
	2004.10.80.20	French Fries, prep/pres by vinegar,
	2004.10.80.40	Other potatoes, prep/pres by vinegar, frozen
	2004.90.90.20	Carrots, preserved/prepared by vinegar,frozen
	2004.90.90.40	Sweet corn, pres/prep by vinegar, frozen
	2004.90.90.60	Peas, preserved/prepared by vinegar, frozen
	2004.90.90.80	Other vegetables including mixtures, P/P,frozen
	2102.10.00.00	Active Yeast

** Represents products showing opportunities for increased Canadian exports

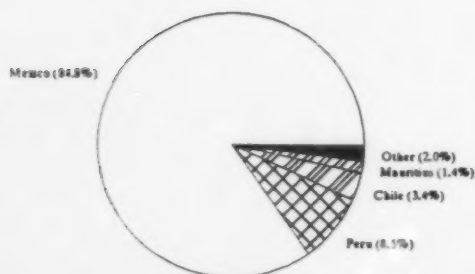
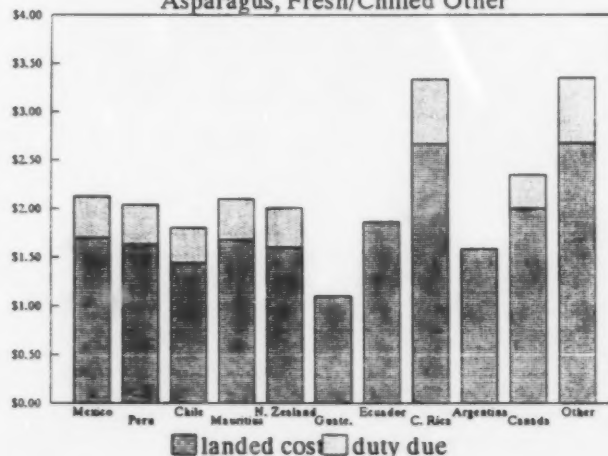
In the analysis stage product groups were evaluated on comparative prices between countries, levels of tariffs, % Market share and trends over previous year.

VEGETABLES

Asparagus, Fresh/Chilled Other

0709.20.90.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Mexico	14,559	\$24,795	47.4%	25.00%	\$1.70	\$0.43
2 Peru	1,514	\$2,472	60.7%	25.00%	\$1.63	\$0.41
3 Chile	687	\$991	14.5%	25.00%	\$1.44	\$0.36
4 Mauritius	236	\$396	0.0%	25.00%	\$1.68	\$0.42
5 N. Zealand	221	\$354	1.5%	25.00%	\$1.60	\$0.40
6 Guate.	60	\$66	24.5%	Free	\$1.10	\$0.00
7 Ecuador	22	\$41	2080.6%	Free	\$1.86	\$0.00
8 C. Rica	12	\$32	0.0%	25.00%	\$2.67	\$0.67
9 Argentina	12	\$19	1157.8%	Free	\$1.58	\$0.00
10 Canada	1	\$2	-98.3%	17.50%	\$2.00	\$0.35
11 Other	22	\$59	115.8%	25.00%	\$2.68	\$0.67
Totals/Averages:	17,346	\$29,227	47.7%		\$1.68	\$0.42

U.S. Main Sources 1990
Asparagus, Fresh/Chilled OtherU.S. Import Unit Costs for
Asparagus, Fresh/Chilled Other

Comments

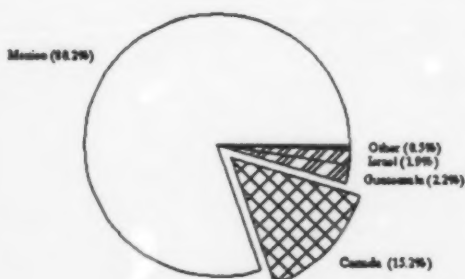
As can be seen from the summary page, this is the largest vegetable commodity group in this study, with U.S. imports at approximately \$30 million in 1990. Of the ten exporting nations, Canada was tenth in volume, and had one of the higher per unit costs. At the same time, Canada has a tariff advantage of 17.5% vs. 25% for other nations. As tariffs drop under CUSTA, Canada could become more competitive.

*Rate of Duty: 25%; Free EIL, 17.5% C

Broccoli Fresh or Chilled

0704.90.40.20

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Mexico	8,219	\$2,785	-18.7%	25.00%	\$0.34	\$0.08
2 Canada	1,249	\$526	136.6%	17.50%	\$0.42	\$0.07
3 Guatemala	97	\$78	-36.4%	Free	\$0.80	\$0.00
4 Israel	46	\$65	145.6%	Free	\$1.41	\$0.00
5 Mauritius	35	\$11	0.0%	25.00%	\$0.31	\$0.08
6 Costa Rica	2	\$6	-52.7%	Free	\$3.00	\$0.00
Totals/Averages:	9,648	\$3,471	-8.9%		\$0.36	\$0.08

U.S. Main Sources 1990
Broccoli Fresh or ChilledU.S. Import Unit Costs for
Broccoli Fresh or Chilled**Comments**

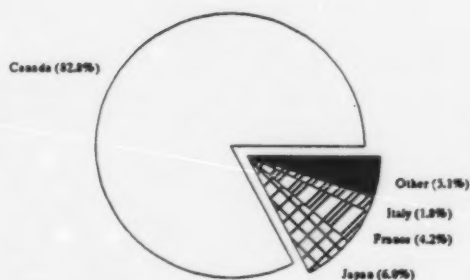
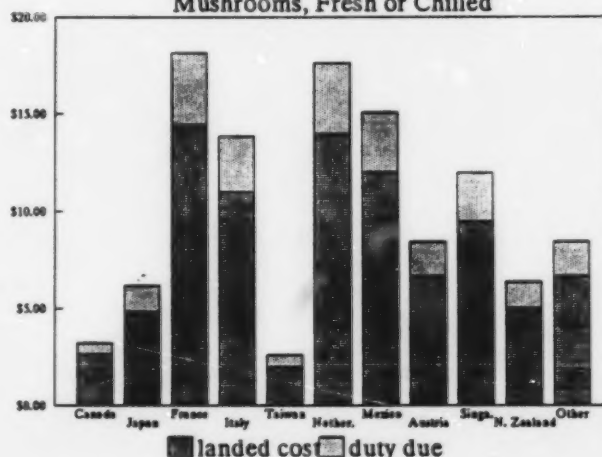
In 1990, Mexico has the largest share of the import market, supplying about five times as much as Canada, despite Canada's tariff advantage. Mexico's landed cost is lower than Canada's. Though tariff reduction under CUSTA could benefit Canadian producers, Mexico would likely receive similar treatment eventually, making it difficult for Canada to remain competitive in the long term due to tariff advantages alone.

*Rate of Duty: 25%; Free EIL, 17.5% C

Mushrooms, Fresh or Chilled

0709.51.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Canada	951	\$2,537	20.1%	.077 \$ + 17.5%	\$2.67	\$0.54
2 Japan	38	\$185	640.3%	.11 \$ + 25%	\$4.87	\$1.33
3 France	9	\$130	-17.7%	.11 \$ + 25%	\$14.44	\$3.72
4 Italy	5	\$55	35.5%	.11 \$ + 25%	\$11.00	\$2.86
5 Taiwan	15	\$30	0.0%	.11 \$ + 25%	\$2.00	\$0.61
6 Nether.	2	\$28	201.8%	.11 \$ + 25%	\$14.00	\$3.61
7 Mexico	2	\$24	30.7%	.11 \$ + 25%	\$12.00	\$3.11
8 Austria	3	\$20	0.0%	.11 \$ + 25%	\$6.67	\$1.78
9 Singa.	2	\$19	0.0%	.11 \$ + 25%	\$9.50	\$2.49
10 N. Zealand	3	\$15	-89.7%	.11 \$ + 25%	\$5.00	\$1.36
11 Other	3	\$20	34.7%	.11 \$ + 25%	\$6.67	\$1.78
Totals/Averages:	1,033	\$3,063	21.5%		\$2.97	\$0.64

U.S. Main Sources 1990
Mushrooms, Fresh or ChilledU.S. Import Unit Costs for
Mushrooms, Fresh or Chilled

Comments

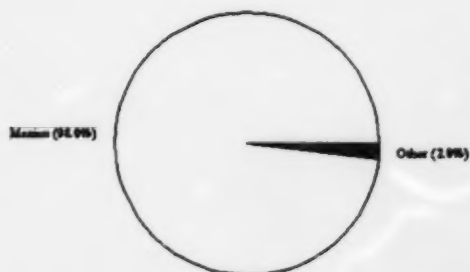
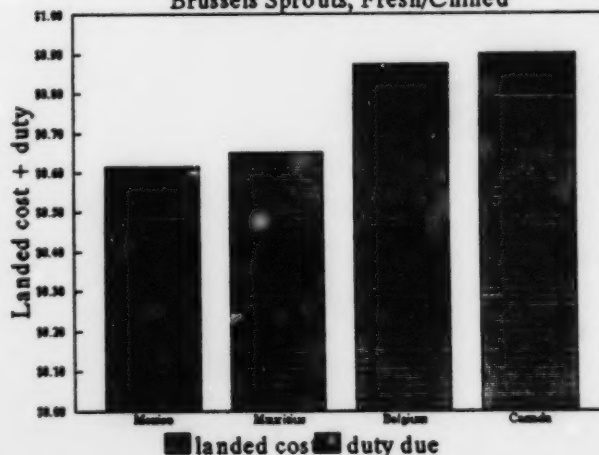
Canada already enjoy the majority of the U.S. import market for this product at a much lower per unit cost than other competitors.

*Rate of Duty: 11 cents/kg + 25%; Free EIL, 7.7 cents/kg + 17.5% C

Brussels Sprouts, Fresh/Chilled

0704.20. .

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Mexico	5,900	\$2,900	10.1%	25.00%	\$0.49	\$0.12
2 Mauritius	40	\$26	0.0%	Free	\$0.65	\$0.00
3 Belgium	30	\$21	-66.5%	25.00%	\$0.70	\$0.18
4 Canada	15	\$12	-42.2%	12.50%	\$0.80	\$0.10
Totals/Averages:	5,985	\$2,959	8.9%		\$0.49	\$0.12

U.S. Main Sources 1990
Brussels Sprouts, Fresh/ChilledU.S. Import Unit Costs for
Brussels Sprouts, Fresh/Chilled**Comments**

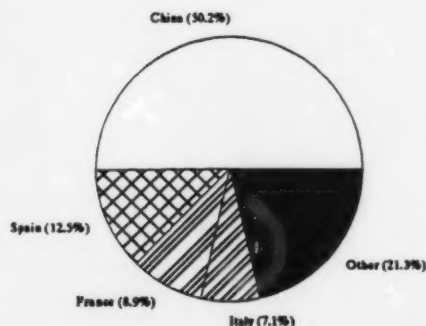
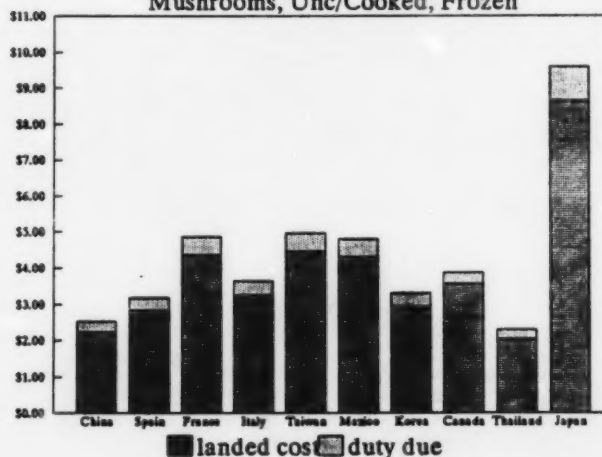
Mexico is by far the largest supplier to the U.S. market. Canada supplied only \$12,000 worth in 1990 at a higher cost than Mexico in spite of a tariff advantage.

*Rate of Duty: 25%; Free A*EIL, 12.5% C

Mushrooms, Unc/Cooked, Frozen

0710.80.20.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 China	560.09	\$1,254	434.5%	.071 \$ + 10%	\$2.24	\$0.29
2 Spain	109.94	\$311	-38.2%	.071 \$ + 10%	\$2.83	\$0.35
3 France	50.75	\$222	57.9%	.071 \$ + 10%	\$4.37	\$0.51
4 Italy	54.49	\$177	143.7%	.071 \$ + 10%	\$3.25	\$0.40
5 Taiwan	37.90	\$169	2.5%	.071 \$ + 10%	\$4.46	\$0.52
6 Mexico	28.26	\$122	7283.2%	.071 \$ + 10%	\$4.32	\$0.50
7 Korea	40.33	\$119	0.0%	.071 \$ + 10%	\$2.95	\$0.37
8 Canada	22.66	\$81	139.0%	.049 \$ + 7%	\$3.58	\$0.30
9 Thailand	13.30	\$27	83.4%	.071 \$ + 10%	\$2.03	\$0.27
10 Japan	1.62	\$14	80.1%	.071 \$ + 10%	\$8.65	\$0.94
Totals/Averages:	919	\$2,496	74.3%		\$2.71	\$0.34

U.S. Main Sources 1990
Mushrooms, Unc/Cooked, FrozenU.S. Import Unit Costs for
Mushrooms, Unc/Cooked, Frozen

Comments

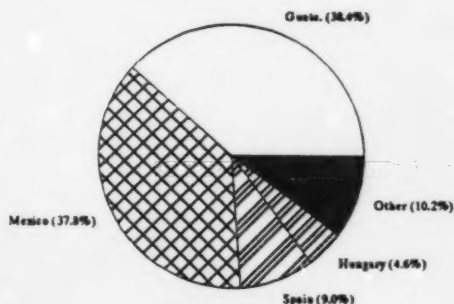
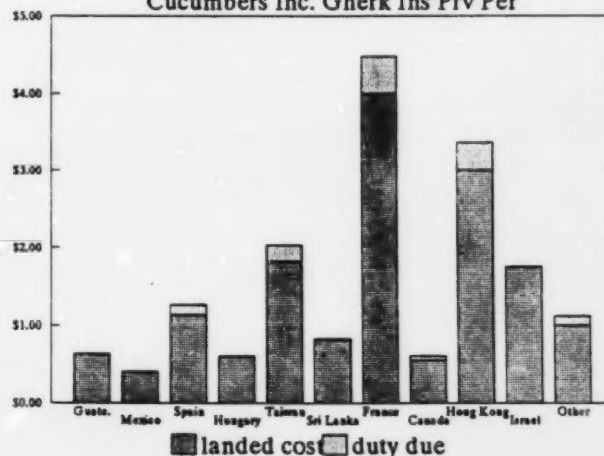
In 1990, the U.S. imported \$2.5 million in Frozen Mushrooms. China was the largest supplier with sales of \$1.3 million (50% market share). Spain and France ranked second and third. Canada ranked at eight with sales of \$81,000 (3.2% market share). Overall U.S. market for frozen mushrooms grew by 74% in value and 115% in volume from 1989 to 1990. Mexico experienced the largest gains in exports, however, during the same period Canadian exports grew by 13.9% in value and 27% in volume. Canada is not very competitive on a cost per unit with the first two largest supplier being \$1.30 higher than China and \$1.50 more than Thailand. Canada is comparable to the remaining suppliers in price. Canada has a tariff advantage in this market over other suppliers which results in a cost advantage of approximately 5 cents. The tariff for Canada will be eliminated by 1998 resulting in an advantage of approximately 30 cents.

Rate of Duty: 7.1 cents/kg + 10%; Free EIL; 4.9 cents/kg + 7% C

Cucumbers Inc. Gherk Ins Prv Per

0711.40.00.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Guate.	1035	\$656	30.0%	Free	\$0.63	\$0.00
2 Mexico	1570	\$646	32.6%	Free	\$0.41	\$0.00
3 Spain	136	\$154	0.1%	12.00%	\$1.13	\$0.14
4 Hungary	131	\$79	921.8%	Free	\$0.60	\$0.00
5 Taiwan	32	\$58	22.6%	12.00%	\$1.81	\$0.22
6 Sri Lanka	46	\$38	105.6%	Free	\$0.83	\$0.00
7 France	5	\$20	182.6%	12.00%	\$4.00	\$0.48
8 Canada	27	\$15	-60.1%	8.40%	\$0.56	\$0.05
9 Hong Kong	4	\$12	56.5%	12.00%	\$3.00	\$0.36
10 Israel	4	\$7	-97.2%	Free	\$1.75	\$0.00
11 Other	24	\$24	-94.6%	12.00%	\$1.00	\$0.12
Totals/Averages:	3014	\$1,709	-13.0%		\$0.57	0.01

U.S. Main Sources 1990
Cucumbers Inc. Gherk Ins Prv PerU.S. Import Unit Costs for
Cucumbers Inc. Gherk Ins Prv Per**Comments**

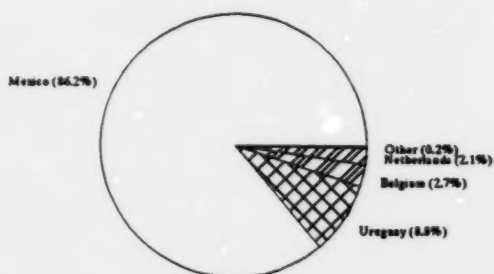
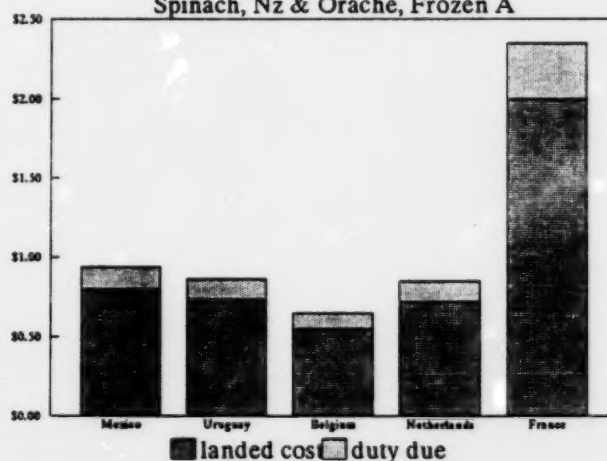
Canada's main competition in this product group have at present at superior tariff treatment. Canada's per unit cost is roughly comparable with these two nations such that as the Canadian tariff drops our product should become more competitive.

Rate of Duty: 12%; Free AEIL; 8.4% C

Spinach, Nz & Orache, Frozen A

0710.30.00.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Mexico	1,324	\$1,056	136.8%	17.50%	\$0.80	\$0.14
2 Uruguay	147	\$108	0.0%	17.50%	\$0.73	\$0.13
3 Belgium	60	\$33	-41.9%	17.50%	\$0.55	\$0.10
4 Netherlands	36	\$26	0.0%	17.50%	\$0.72	\$0.13
5 France	1	\$2	-88.2%	17.50%	\$2.00	\$0.35
Totals/Averages:	1,568	\$1,225	126.3%		\$0.78	\$0.14

U.S. Main Sources 1990
Spinach, Nz & Orache, Frozen AU.S. Import Unit Costs for
Spinach, Nz & Orache, Frozen A

Comments

Mexico is the major supplier of this product with over 86% market share. In 1990, Canada and Mexico had equal treatment, however under CUSTA Canada will gain an advantage. In the long term, Mexico will most likely receive similar treatment under NAFTA. However, in the short term this could represent an opportunity for new exports as in 1990 Canada was not represented.

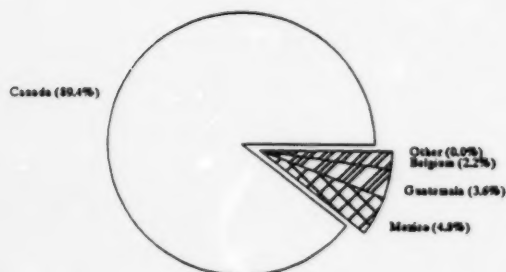
Rate of Duty: 17.5%; Free EIL; 12.2% C

Reduced Size Brussel Sprouts

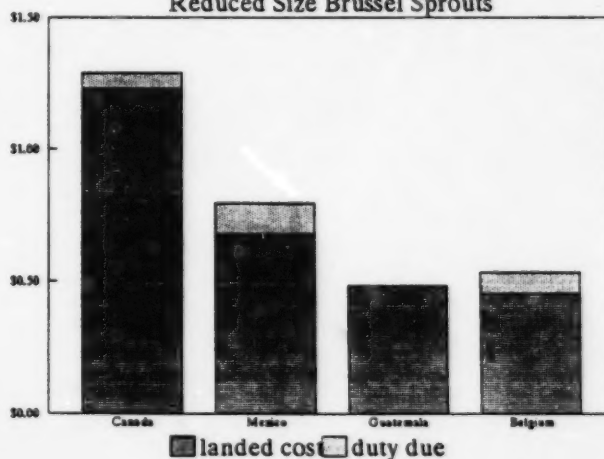
0710.80.85.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Canada	196.16	\$241.51	336.7%	4.90%	\$1.23	\$0.06
2 Mexico	19.07	\$12.93	-77.9%	17.50%	\$0.68	\$0.12
3 Guatemala	20.00	\$9.64	-94.3%	Free	\$0.48	\$0.00
4 Belgium	13.09	\$5.94	-46.8%	17.50%	\$0.45	\$0.08
Totals/Averages:	248.32	\$270.02	-8.4%		\$1.09	0.06

U.S. Main Sources 1990
Reduced Size Brussel Sprouts



U.S. Import Unit Costs for
Reduced Size Brussel Sprouts



Comments

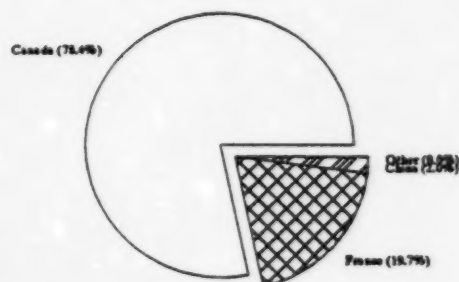
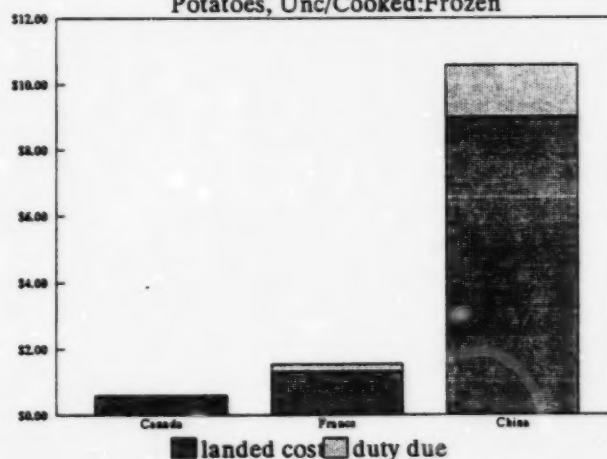
Canada has more than 80% of market share.

Rate of Duty: 17.5%; Free EIL; 4.9% C

Potatoes, Unc/Cooked:Frozen

0710.10.00.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Canada	131.64	\$71.04	391.6%	12.20%	\$0.54	\$0.07
2 France	13.59	\$17.81	33.9%	17.50%	\$1.31	\$0.23
3 China	0.20	\$1.80	-68.0%	17.50%	\$9.00	\$1.58
Totals/Averages:	145.44	\$90.65	48.1%		\$0.62	\$0.08

U.S. Main Sources 1990
Potatoes, Unc/Cooked:FrozenU.S. Import Unit Costs for
Potatoes, Unc/Cooked:Frozen**Comments**

In 1990, the U.S. imported \$91,000 worth of potatoes with Canada supplying the largest share at \$71,000 (78% market share). France and China were the only other suppliers. Over all the U.S. market grew by 48% in value and by 78% by volume from 1989 to 1990. Canada is very competitive with a cost advantage of \$0.77 over France and \$8.50 over China.

Canada's advantage is further enhanced by a lower tariff rate amounting to \$0.15. Canada will enjoy a tariff saving of an additional 1 cent per year under CUSTA, Cumulating in a total advantage of 22 cents in 1998. As Canada is already a dominant player in this market CUSTA is not a critical factor to competitiveness.

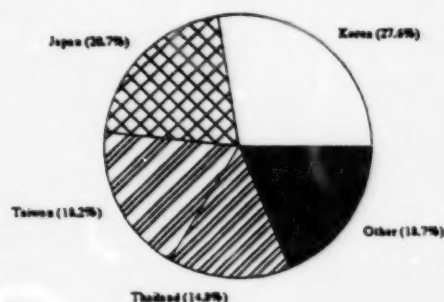
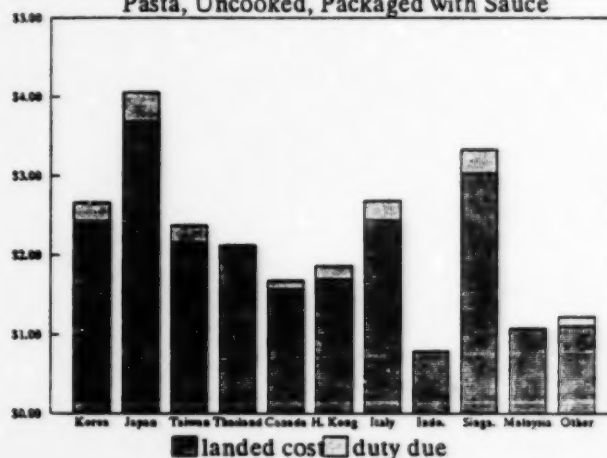
Rate of Duty: 17.5%; Free EIL; 12.2% C

PASTA

Pasta, Uncooked, Packaged with Sauce

1902.19.40.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Korea	3203	\$7,776	42.1%	10.00%	\$2.43	\$0.24
2 Japan	1578	\$5,814	29.5%	10.00%	\$3.68	\$0.37
3 Taiwan	2374	\$5,129	41.3%	10.00%	\$2.16	\$0.22
4 Thailand	1954	\$4,151	74.3%	Free	\$2.12	\$0.00
5 Canada	1444	\$2,270	13039.2%	7.00%	\$1.57	\$0.11
6 H. Kong	646	\$1,094	415.1%	10.00%	\$1.69	\$0.17
7 Italy	257	\$628	901.8%	10.00%	\$2.44	\$0.24
8 Indo.	580	\$457	52.1%	Free	\$0.79	\$0.00
9 Singa.	139	\$422	43.0%	10.00%	\$3.04	\$0.30
10 Malaysia	142	\$153	-47.3%	Free	\$1.08	\$0.00
11 Other	216	\$240	8.9%	10.00%	\$1.11	\$0.11
Totals/Averages:	12533	\$28,134	61.9%		\$2.24	0.18

U.S. Main Sources 1990
Pasta, Uncooked, Packaged with SauceU.S. Import Unit Costs for
Pasta, Uncooked, Packaged with Sauce

Comments

The U.S. imported \$28 million in uncooked pasta in 1990 with Korea, Japan and Taiwan, the largest suppliers accounting for market shares of 27.6%, 20.7% and 18.2% for a total combined share of 66.5%. Canada had a market share of 8.1%.

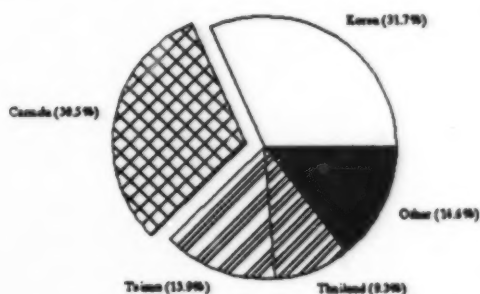
Canada experienced the largest sales increase for 1989 jumping from \$17,000 to \$2.3 million. Overall the U.S. import market increased by 50% with most suppliers achieving gains. In this market, Canada is extremely competitive on a cost per unit bases being 50 cents less expensive than the largest supplier. Canada has a tariff advantage over a number of other suppliers particularly the top three. Three other countries have free access to this market which represents a savings of approx. 10 cents over Canada. As Canada's per unit cost is already lower than the top three suppliers, further tariff reductions will not necessarily result in increased sales.

Rate of Duty: 10%; Free AEIL; 7% C

Pasta, Other, not Frozen

1902.30.00.60

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Korea	1105	\$2,135	226.7%	10.00%	\$1.93	\$0.19
2 Canada	567	\$2,058	12.2%	7.00%	\$3.63	\$0.25
3 Taiwan	408	\$938	304.8%	10.00%	\$2.30	\$0.23
4 Thailand	282	\$625	155.3%	Free	\$2.22	\$0.00
5 Japan	191	\$547	12.0%	10.00%	\$2.86	\$0.29
6 Phil.	50	\$179	-17.5%	Free	\$3.58	\$0.00
7 Singa.	19	\$70	94.1%	10.00%	\$3.68	\$0.37
8 Guate.	41	\$69	0.0%	Free	\$1.68	\$0.00
9 Italy	20	\$27	-97.0%	10.00%	\$1.35	\$0.14
10 H. Kong	14	\$17	-42.4%	10.00%	\$1.21	\$0.12
11 Other	53	\$76	-35.2%	10.00%	\$1.43	\$0.14
Totals/Averages:	2750	\$6,741	42.3%		\$2.45	0.19

U.S. Main Sources 1990
Pasta, Other, not FrozenU.S. Import Unit Costs for
Pasta, Other, not Frozen

Comments

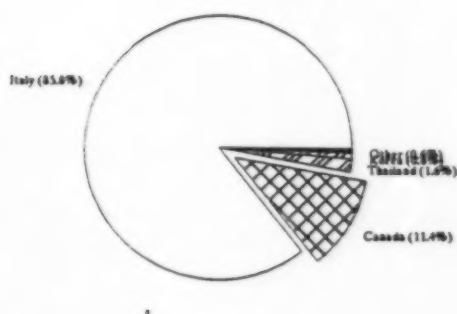
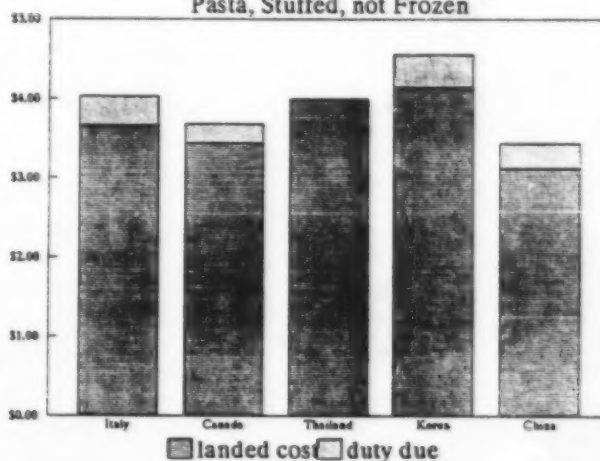
Korea was Canada's main competition for this product group holding approximately the same market share. Korean exports however, grew by 226%. Canada's price position may be helped by tariff reduction under CUSTA but there will also be strong competition for a number of other Asia Nation entering this market.

Rate of Duty: 10%; Free AEIL; 7% C

Pasta, Stuffed, not Frozen

1902.20.00.60

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Italy	1063	\$3,888	34.9%	10.00%	\$3.66	\$0.37
2 Canada	151	\$519	-36.8%	7.00%	\$3.44	\$0.24
3 Thailand	18	\$72	0.0%	Free	\$4.00	\$0.00
4 Korea	7	\$29	0.0%	10.00%	\$4.14	\$0.41
5 China	8	\$25	0.0%	10.00%	\$3.13	\$0.31
Totals/Averages:	1247	\$4,533	22.0%		\$3.64	0.35

U.S. Main Sources 1990
Pasta, Stuffed, not FrozenU.S. Import Unit Costs for
Pasta, Stuffed, not Frozen

Comments

In 1990, the U.S. imported \$4.5 million worth of stuffed-pasta. Italy traditionally is the largest suppliers with sales of \$1.2 million (85.7% market share). Canada was the second largest supplier with 11.4% market share. Overall, the U.S. market increased by over 10%, with all of the increase being made by Italy. Canada lost approximately 7% in sales.

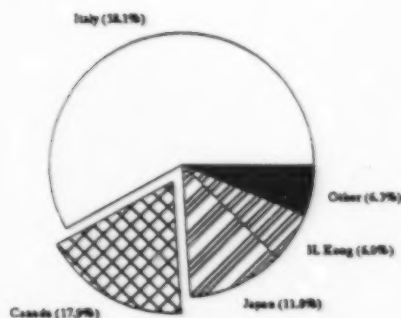
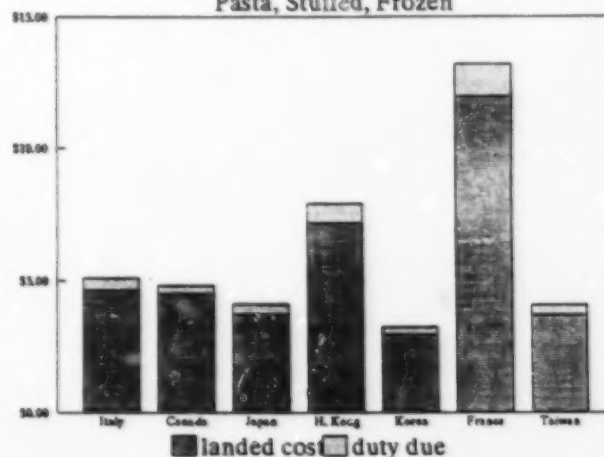
Canada is relatively competitive on a per unit cost basis. Given the high degree of error associated in rounding with low import volumes, it is reasonable to expect an error of ± 25 cents. Other than China all countries are roughly cost competitive. Thailand has the advantage of entering the United States duty free. With the degree of cost competitiveness in this product group, Canada should become more competitive under CUSTA.

Rate of Duty: 10%; Free AEIL; 7% C

Pasta, Stuffed, Frozen

1902.20.00.40

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Italy	260.03	\$1,207	-1.3%	10.00%	\$4.64	\$0.46
2 Canada	82.41	\$372	987.3%	7.00%	\$4.51	\$0.32
3 Japan	65.40	\$245	16.8%	10.00%	\$3.75	\$0.37
4 H. Kong	17.21	\$124	11.8%	10.00%	\$7.20	\$0.72
5 Korea	40.51	\$120	104.7%	10.00%	\$2.96	\$0.30
6 France	0.50	\$6	0.0%	10.00%	\$12.00	\$1.20
7 Taiwan	1.08	\$4	-94.6%	10.00%	\$3.70	\$0.37
Totals/Averages:	467.15	\$2,078	21.7%		\$4.45	0.42

U.S. Main Sources 1990
Pasta, Stuffed, FrozenU.S. Import Unit Costs for
Pasta, Stuffed, Frozen

Comments

Canada was the second largest supplier of this product partly as a result of also having gained the most market share over 1989. Overall, this market grew by 20% in 1990.

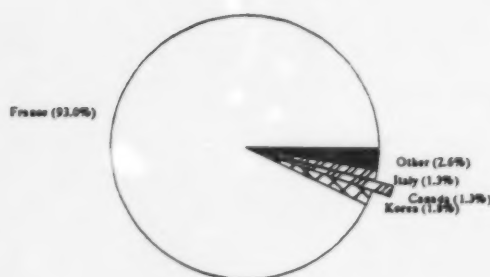
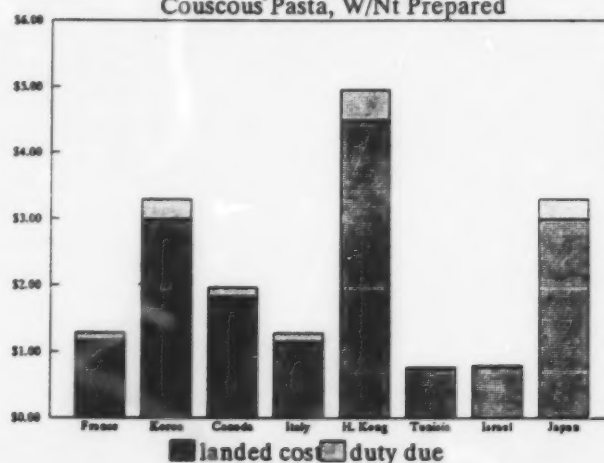
Canada does not have a strong price advantage over other suppliers which should be helped by tariff reduction under CUSTA. With the present preferential tariff, Canadian suppliers save approximately 6 cents. As the tariff is reduced the Canadian advantage should grow by 4.5 cents per year to reach a total of 45 cents based on 1990 prices.

Rate of Duty: 10%; Free AEIL; 7% C

Couscous Pasta, W/Nt Prepared

1902.40.00.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 France	1352	\$1,582	-45.9%	10.00%	\$1.17	\$0.12
2 Korea	10	\$30	0.0%	10.00%	\$3.00	\$0.30
3 Canada	12	\$22	0.0%	7.00%	\$1.83	\$0.13
4 Italy	19	\$22	354.3%	10.00%	\$1.16	\$0.12
5 H. Kong	4	\$18	0.0%	10.00%	\$4.50	\$0.45
6 Tunisia	17	\$13	85.0%	Free	\$0.76	\$0.00
7 Israel	14	\$11	0.0%	Free	\$0.79	\$0.00
8 Japan	1	\$3	-51.3%	10.00%	\$3.00	\$0.30
Totals/Averages:	1429	\$1,701	-44.4%		\$1.19	0.12

U.S. Main Sources 1990
Couscous Pasta, W/Nt PreparedU.S. Import Unit Costs for
Couscous Pasta, W/Nt Prepared

Comments

In 1990, the U.S. imported approximately \$1.7 million worth of couscous. France was the largest suppliers with sales of \$1.6 million and a market share of 94%. Canada was the third largest supplier with sales of \$22,000 (1.3%). Overall, the U.S. market for couscous increased 25% in terms of volume and decreased 44% in terms of value. Canada entered the market for the first time in 1990 along with Korea, Hong Kong and Israel. Canada is competitive on a per unit cost basis, being 66 cents higher than France, but \$1.17 less than Korea. Italy has made a large increase in sales over 1989 with a per unit cost matching that of France. Tariff reductions under CUSTA should help put Canada in a more cost competitive position.

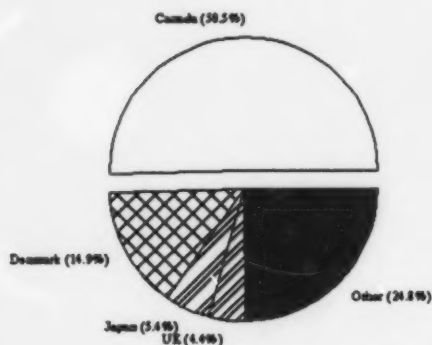
Rate of Duty: 10%; Free AEIL; 7% C

PROCESSED FOODS

Other Bread, Pastry, Cakes

HS Code: 1905.90.10.60

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity(Kg)	Value(\$)			landed cost	duty due
1 Canada	69,575	\$138,956	-2.8%	Free	\$2.00	\$0.00
2 Denmark	13,166	\$41,087	4.4%	Free	\$3.12	\$0.00
3 Japan	2,780	\$14,751	5.4%	Free	\$5.31	\$0.00
4 UK	3,040	\$12,113	-13.7%	Free	\$3.98	\$0.00
5 Italy	2,572	\$11,259	14.3%	Free	\$4.38	\$0.00
6 Germany	3,091	\$8,679	0.7%	Free	\$2.81	\$0.00
7 Mexico	4,678	\$7,067	-24.8%	Free	\$1.51	\$0.00
8 Taiwan	2,028	\$6,740	5.0%	Free	\$3.32	\$0.00
9 France	775	\$4,563	-13.5%	Free	\$5.89	\$0.00
10 Belgium	797	\$3,612	-19.0%	Free	\$4.53	\$0.00
11 Other	10,212	\$26,486	-10.0%	Free	\$2.59	\$0.00
Totals/Averages:	112,714	\$275,313	-3.0%		\$2.44	\$0.00

U.S. Main Sources 1990
Other Bread, Pastry, CakesU.S. Import Unit Costs for
Other Bread, Pastry, Cakes

Comments

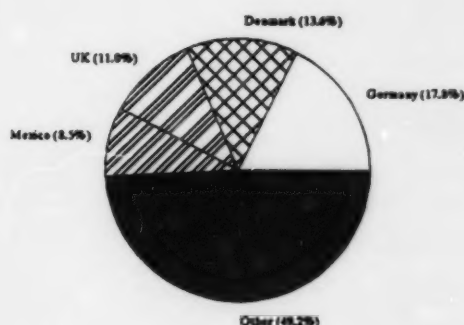
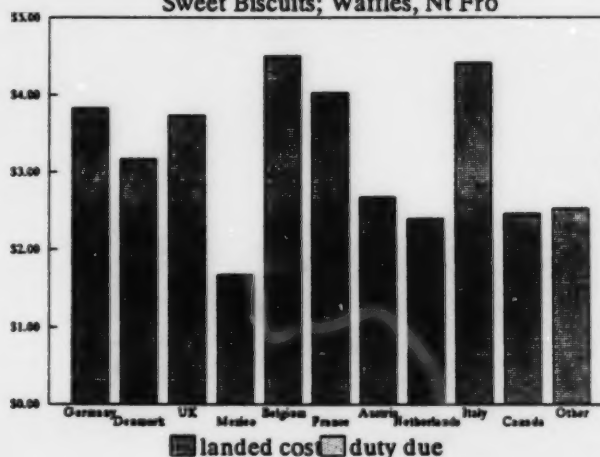
Canada was the largest supplier of this product group with a market share of 50% out of a total market value of \$275 million for 1990. Canada has a significant price advantage over other suppliers.

*Rates of Duty: Free

Sweet Biscuits; Waffles, Nt Fro

HS Code: 1905.30.00.40

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Germany	4,396	\$16,832	50.0%	Free	\$3.83	\$0.00
2 Denmark	4,069	\$12,915	-6.4%	Free	\$3.17	\$0.00
3 UK	2,789	\$10,408	4.5%	Free	\$3.73	\$0.00
4 Mexico	4,800	\$8,032	103.9%	Free	\$1.67	\$0.00
5 Belgium	1,628	\$7,328	54.9%	Free	\$4.50	\$0.00
6 France	1,618	\$6,521	44.1%	Free	\$4.03	\$0.00
7 Austria	1,269	\$3,393	-9.9%	Free	\$2.67	\$0.00
8 Netherlands	1,388	\$3,325	178.8%	Free	\$2.40	\$0.00
9 Italy	660	\$2,914	9.1%	Free	\$4.42	\$0.00
10 Canada	584	\$1,436	23.0%	Free	\$2.46	\$0.00
11 Other	8,581	\$21,688	25.2%	Free	\$2.53	\$0.00
Totals/Averages:	31,782	\$94,792	27.6%		\$2.98	\$0.00

U.S. Main Sources 1990
Sweet Biscuits; Waffles, Nt FroU.S. Import Unit Costs for
Sweet Biscuits; Waffles, Nt Fro

Comments

This product group represents a sizable market at almost \$100 million for 1990. Canada was the last place supplier at 1.5% market share. The top three suppliers: Germany, Denmark and the U.K. hold 42% of the market. Canada has a competitive price advantage over these suppliers of \$0.71 to \$1.46 per Kg. Factors other than price are responsible for Canada's low performance. Due to significant differences in per unit costs and the significant market size of this group of products it should be examined in further details to identify potential market opportunities and present marketing constraints.

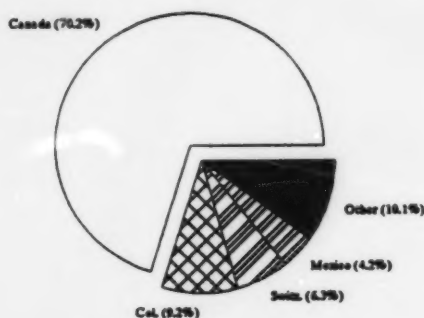
*Rates of Duty: Free

Prep Food Obt by Swel/Rost Cer

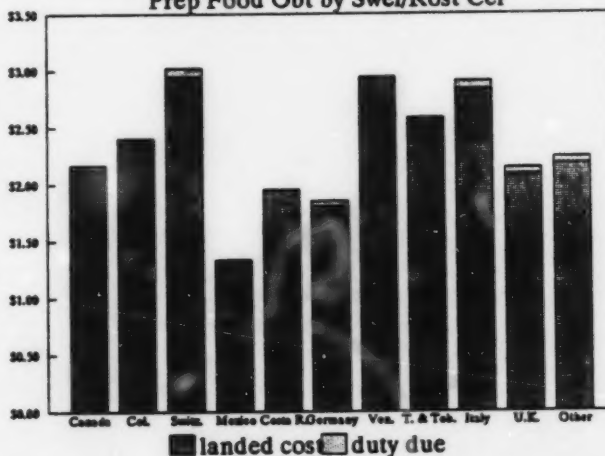
HS Code: 1904.10.00.00.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Canada	15,039	\$32,089	75.6%	1.70%	\$2.13	\$0.04
2 Col.	1,750	\$4,203	3.3%	Free	\$2.40	\$0.00
3 Switz.	981	\$2,892	35.6%	2.50%	\$2.95	\$0.07
4 Mexico	1,451	\$1,937	-11.8%	Free	\$1.33	\$0.00
5 Costa R.	833	\$1,627	66.2%	Free	\$1.95	\$0.00
6 Germany	256	\$752	-65.1%	2.50%	\$1.80	\$0.05
7 Ven.	140	\$361	0.0%	Free	\$2.94	\$0.00
8 T. & Tob.	119	\$337	15.7%	Free	\$2.58	\$0.00
9 Italy	102	\$213	-22.9%	2.50%	\$2.83	\$0.07
10 U.K.	95	\$207	-38.1%	2.50%	\$2.09	\$0.05
11 Other	620	\$1,119	-50.1%	2.50%	\$2.18	\$0.05
Totals/Averages:	21,386	\$45,737	40.9%		\$2.14	\$0.03

U.S. Main Sources 1990
Prep Food Obt by Swel/Rost Cer



U.S. Import Unit Costs for
Prep Food Obt by Swel/Rost Cer



Comments

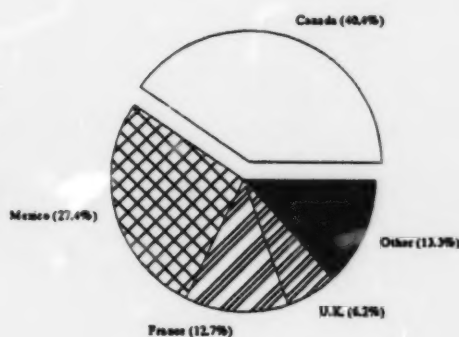
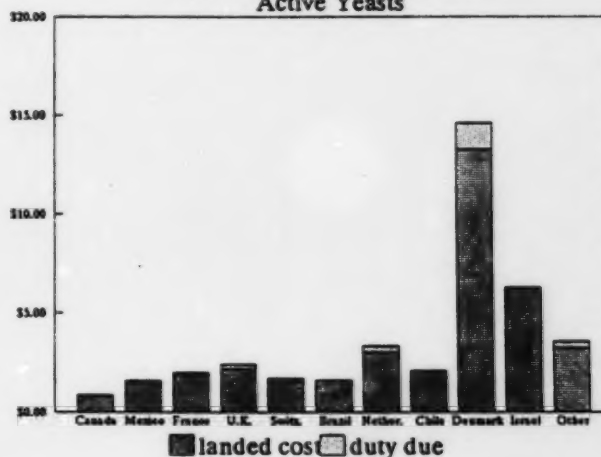
Canada holds the largest market share at \$32 million or 70% of the market based on value for 1990. Further reductions of tariffs under CUSTA will not benefit this sector as most lower cost suppliers already enjoy a free tariff rate.

*Rates of Duty: 2.5%; Free AEIL; 1.7% C

Active Yeasts

2102.10.00.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Canada	13329	\$11,582	53.4%	Free	\$0.87	\$0.00
2 Mexico	4851	\$7,844	35.0%	Free	\$1.62	\$0.00
3 France	1978	\$3,636	41.6%	10.00%	\$1.84	\$0.18
4 U.K.	803	\$1,767	-24.0%	10.00%	\$2.20	\$0.22
5 Switz.	779	\$1,234	56.9%	10.00%	\$1.58	\$0.16
6 Brazil	595	\$981	156.3%	Free	\$1.65	\$0.00
7 Nether.	199	\$605	45.7%	10.00%	\$3.04	\$0.30
8 Chile	245	\$513	271.4%	Free	\$2.09	\$0.00
9 Denmark	24	\$319	46.6%	10.00%	\$13.29	\$1.33
10 Israel	7	\$44	0.0%	Free	\$6.29	\$0.00
11 Other	35	\$114	-22.9%	10.00%	\$3.26	\$0.33
Totals/Averages:	22845	\$28,639	40.8%		\$1.25	0.03

U.S. Main Sources 1990
Active YeastsU.S. Import Unit Costs for
Active Yeasts**Comments**

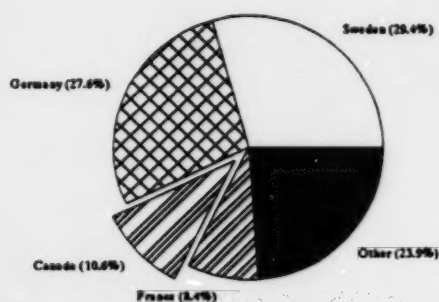
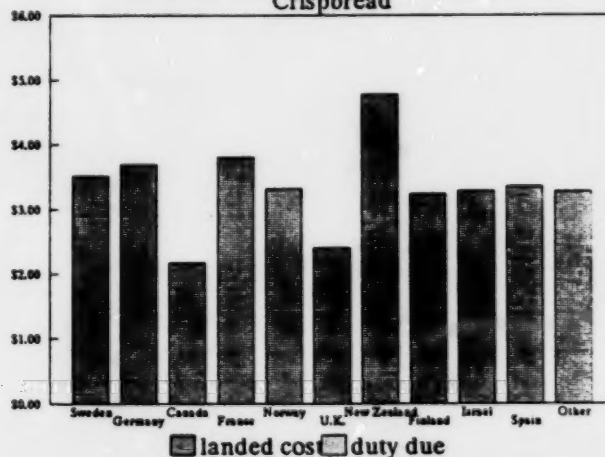
Canadian already enjoys a significant share of this market having almost twice the market share of our next largest competitor, Mexico.

Rate of Duty: 10%; Free A,C,E,I,L

Crispbread

HS Code: 1905.10.00.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Sweden	1,163	\$4,090	-20.7%	Free	\$3.52	\$0.00
2 Germany	1,040	\$3,839	-31.0%	Free	\$3.69	\$0.00
3 Canada	677	\$1,470	-0.4%	Free	\$2.17	\$0.00
4 France	307	\$1,169	-34.1%	Free	\$3.81	\$0.00
5 Norway	335	\$1,111	-34.0%	Free	\$3.32	\$0.00
6 U.K.	351	\$842	-44.7%	Free	\$2.40	\$0.00
7 New Zealand	60	\$287	-25.8%	Free	\$4.78	\$0.00
8 Finland	66	\$214	-44.8%	Free	\$3.24	\$0.00
9 Israel	61	\$200	488.4%	Free	\$3.28	\$0.00
10 Spain	34	\$114	558.8%	Free	\$3.35	\$0.00
11 Other	171	\$559	-52.9%	Free	\$3.27	\$0.00
Con Totals/Averages:	4,265	\$13,895	-27.6%	0.00%	\$3.26	\$0.00

U.S. Main Sources 1990
CrispbreadU.S. Import Unit Costs for
Crispbread

Comments

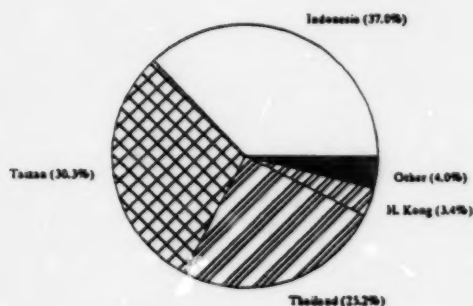
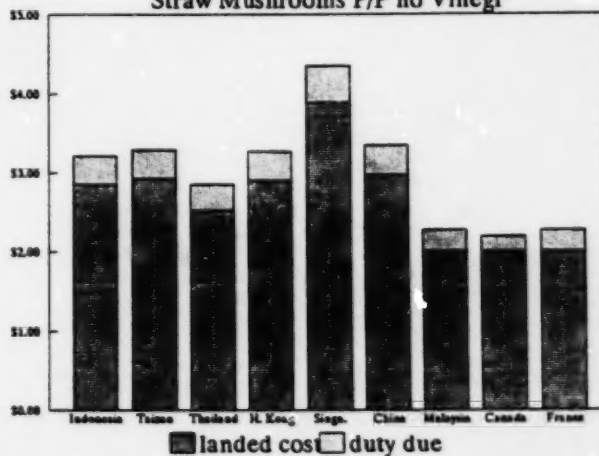
The total market size of this sector in 1990 was \$13.9 million with the major suppliers being Sweden and Germany. These two countries hold 57% of the market. Canada, the third ranked supplier holds 10%. Tariff considerations under CUSTA will not benefit Canadian Industry as all nations have free tariff access. It should be noted that based on the evaluation of per unit costs this product group should represent a future market opportunity. Canada is the lowest priced supplier nation. But factors other than prices are responsible for Canada's third place ranking. Canada's market share has remained steady but Spain and Israel are taking new markets.

*Rates of Duty: Free

Straw Mushrooms P/P no Vinegr

2003.10.00.09

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Indonesia	1518	\$4,337	48.1%	.071 \$ + 10%	\$2.86	\$0.36
2 Taizan	1211	\$3,547	-42.5%	.071 \$ + 10%	\$2.93	\$0.36
3 Thailand	1164	\$2,948	189.5%	.071 \$ + 10%	\$2.53	\$0.32
4 H. Kong	138	\$401	18.2%	.071 \$ + 10%	\$2.91	\$0.36
5 Singa.	82	\$319	294.0%	.071 \$ + 10%	\$3.89	\$0.46
6 China	41	\$122	-69.7%	.071 \$ + 10%	\$2.98	\$0.37
7 Malaysia	10	\$20	0.0%	.071 \$ + 10%	\$2.00	\$0.27
8 Canada	5	\$10	0.0%	.049 \$ + 7%	\$2.00	\$0.19
9 France	1	\$2	0.0%	.071 \$ + 10%	\$2.00	\$0.27
Totals/Averages:	4170	\$11,706	4.7%		\$2.81	0.35

U.S. Main Sources 1990
Straw Mushrooms P/P no VinegrU.S. Import Unit Costs for
Straw Mushrooms P/P no Vinegr**Comments**

Canadian levels of sales in this product group have remained relatively stable at \$10,000. It would appear that since Canada already has a price advantage over the three major suppliers that factors other than price are responsible for Canada's low market share.

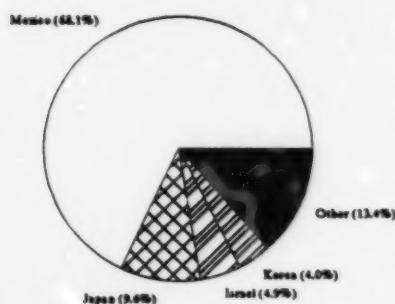
Rate of Duty: 7.1 Cents + 10%; Free EIL; 4.9 Cents + 7%

Corn Chips and Similar Crisps

HS Code: 1905.90.90.30

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity(Kg)	Value(\$)			landed cost	duty due
1 Mexico	3,203	\$7,628	-2.3%	Free	\$2.38	\$0.00
2 Japan	340	\$1,078	299.1%	10.00%	\$3.17	\$0.32
3 Israel	201	\$549	143.9%	Free	\$2.73	\$0.00
4 Korea	129	\$446	-28.0%	10.00%	\$3.46	\$0.35
5 Costa R.	91	\$303	214.3%	Free	\$3.33	\$0.00
6 T. & Tobago	83	\$240	42.9%	Free	\$2.89	\$0.00
7 Taiwan	12	\$198	169.9%	10.00%	\$16.50	\$1.65
8 Canada	51	\$136	36.9%	7.00%	\$2.67	\$0.19
9 Indo.	36	\$106	26.0%	Free	\$2.94	\$0.00
10 Phil.	48	\$96	146.1%	Free	\$2.00	\$0.00
11 Other	175	\$422	-26.5%	10.00%	\$2.41	\$0.24
Totals/Averages:	4,369	\$11,202	11.4%		\$2.56	\$0.05

U.S. Main Sources 1990
Corn Chips and Similar Crisps



U.S. Import Unit Costs for
Corn Chips and Similar Crisps



Comments

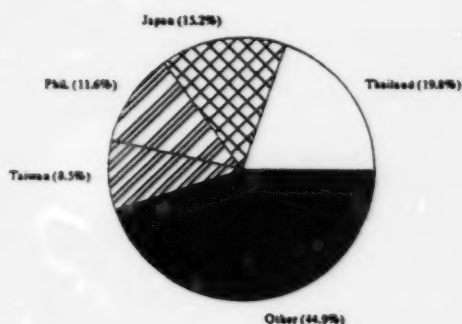
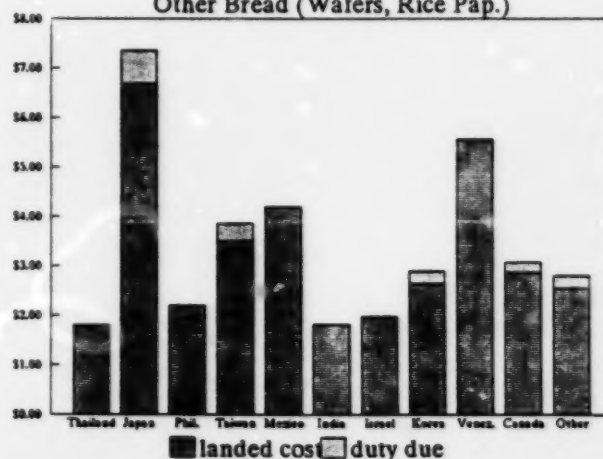
The largest supplier in this market was Mexico with 68% market share. Mexico enjoys a free tariff access for this products as well as having a comparative price advantage of \$0.29 per Kg. With further tariff reductions under CUSTA Canada could be price competitive with Mexico of interest is Japan who has a 10% tariff and a much higher per unit cost but has a market share significantly larger than Canada.

*Rates of Duty: 10%; Free AEIL; 7% C

Other Bread (Wafers, Rice Pap.)

HS Code: 1905.90.90.90

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity(Kg)	Value(\$)			landed cost	duty due
1 Thailand	713	\$1,285	220.6%	Free	\$1.80	\$0.00
2 Japan	148	\$990	162.4%	10.00%	\$6.69	\$0.67
3 Phil.	343	\$754	-17.9%	Free	\$2.20	\$0.00
4 Taiwan	158	\$555	80.9%	10.00%	\$3.51	\$0.35
5 Mexico	123	\$516	-5.4%	Free	\$4.20	\$0.00
6 India	166	\$301	215.4%	Free	\$1.81	\$0.00
7 Israel	142	\$282	379.2%	Free	\$1.99	\$0.00
8 Korea	105	\$277	11.7%	10.00%	\$2.64	\$0.26
9 Venez.	37	\$206	823.3%	Free	\$5.57	\$0.00
10 Canada	69	\$198	-47.4%	7.00%	\$2.87	\$0.20
11 Other	447	\$1,138	13.9%	10.00%	\$2.55	\$0.25
Totals/Averages:	2,451	\$6,502	49.5%		\$2.65	\$0.13

U.S. Main Sources 1990
Other Bread (Wafers, Rice Pap.)U.S. Import Unit Costs for
Other Bread (Wafers, Rice Pap.)**Comments**

Canada has a relatively small market share of this product but it can be assumed there is a large ethnic component as the top 3 suppliers are from the Asian region. Canada's supply capability would have to be looked at in more detail to determine if increased market potential could exist as our tariff levels drop under CUSTA.

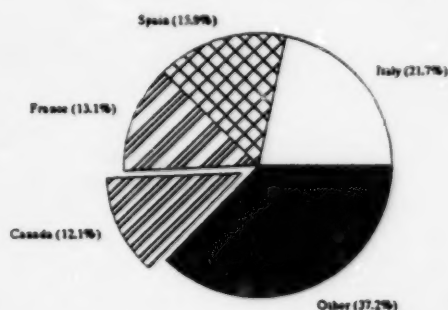
*Rates of Duty: 10%; Free AEIC; 7% C

Rusks, Toasted Bread & Similar

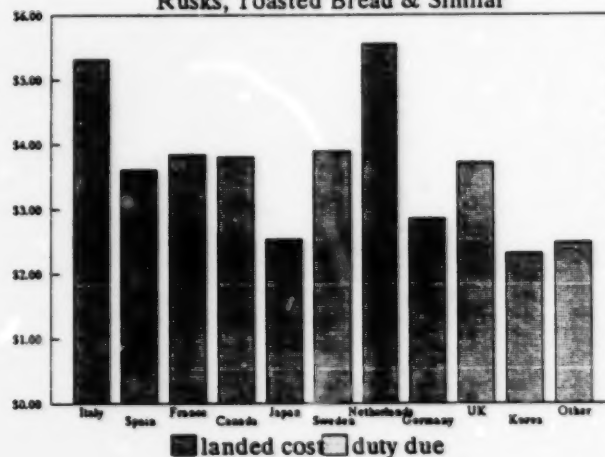
HS Code: 1905.40.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity	Value			landed cost	duty due
1 Italy	208	\$1,105	8.9%	Free	\$5.31	\$0.00
2 Spain	224	\$808	-5.0%	Free	\$3.61	\$0.00
3 France	173	\$665	6.8%	Free	\$3.84	\$0.00
4 Canada	162	\$617	-54.5%	Free	\$3.81	\$0.00
5 Japan	148	\$375	-67.4%	Free	\$2.53	\$0.00
6 Sweden	75	\$292	23.3%	Free	\$3.89	\$0.00
7 Netherlands	45	\$250	-12.3%	Free	\$5.56	\$0.00
8 Germany	75	\$214	21.7%	Free	\$2.85	\$0.00
9 UK	56	\$208	101.4%	Free	\$3.71	\$0.00
10 Korea	81	\$187	-5.3%	Free	\$2.31	\$0.00
11 Other	147	\$365	-63.1%	Free	\$2.48	\$0.00
Totals/Averages:	1,394	\$5,086	-27.1%	0.00%	\$3.65	\$0.00

U.S. Main Sources 1990
Rusks, Toasted Bread & Similar



U.S. Import Unit Costs for
Rusks, Toasted Bread & Similar



Comments

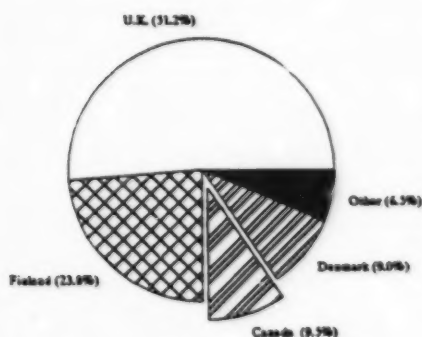
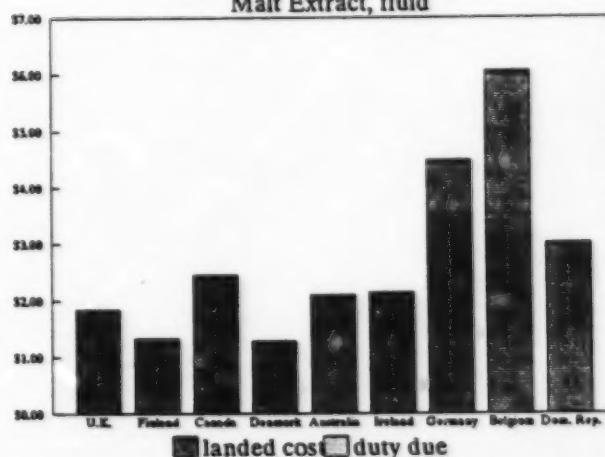
This product group represented over \$5 million in 1990. Canada along with Japan, saw their market share drop significantly while Italy and France's share grew. The overall market fell 27% in total value in 1990. Canada shares a market niche with Spain and France for second place in this product group. Though all countries enjoy tariff free access to the U.S. Market and CUSTA will not improve condition for Canada this product group could hold potential.

*Rates of Duty: Free

Malt Extract, fluid

HS Code: 1901.90.10.00

U.S. Imports Country of origin:	1990 Imports... (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 U.K.	1,189	\$2,119	77.8%	5 cents	\$1.78	\$0.05
2 Finland	771	\$986	194.2%	5 cents	\$1.28	\$0.05
3 Canada	162	\$391	-2.3%	3.5 cents	\$2.41	\$0.035
4 Denmark	305	\$374	151.0%	5 cents	\$1.23	\$0.05
5 Australia	60	\$122	95.3%	5 cents	\$2.03	\$0.05
6 Ireland	49	\$102	155.4%	5 cents	\$2.08	\$0.05
7 Germany	7	\$31	3.8%	5 cents	\$4.43	\$0.05
8 Belgium	1	\$6	0.0%	5 cents	\$6.00	\$0.05
9 Dom. Rep.	2	\$6	-87.2%	Free	\$3.00	\$0.00
Totals/Averages:	2,546	\$4,137	82.0%		\$1.62	\$0.049

U.S. Main Sources 1990
Malt Extract, fluidU.S. Import Unit Costs for
Malt Extract, fluid

Comments

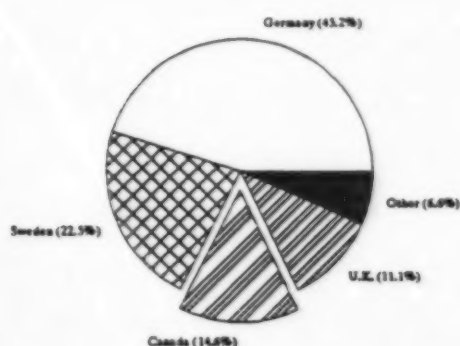
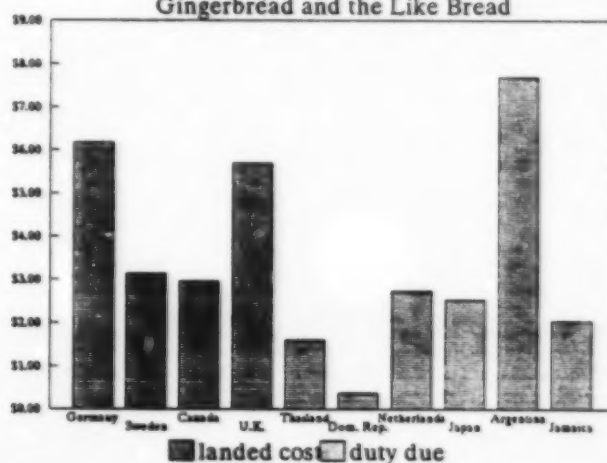
In 1990, U.S. imports amounted to \$4.1 million with the U.K. being the major supplier. Of the major suppliers Canada was the highest cost, despite having the lowest tariff. Overall this market has been growing however, Canada has been the only supplier to lose market share in 1990. Due to the high landed costs for Canada, the additional tariff reductions under CUSTA will not benefit Canada.

*Rates of Duty: 5 cents; Free EIL; 3.5 cents Ca, 26 cents other

Gingerbread and the Like Bread

HS Code: 1905.20.00.00

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value(\$)			landed cost	duty due
1 Germany	127.49	\$788	-23.7%	Free	\$6.18	\$0.00
2 Sweden	125.35	\$393	69.8%	Free	\$3.14	\$0.00
3 Canada	85.65	\$254	84.7%	Free	\$2.97	\$0.00
4 U.K.	34.02	\$194	111.7%	Free	\$5.70	\$0.00
5 Thailand	41.40	\$66	0.0%	Free	\$1.59	\$0.00
6 Dom. Rep.	55.20	\$21	80.0%	Free	\$0.38	\$0.00
7 Netherlands	7.67	\$21	0.0%	Free	\$2.74	\$0.00
8 Japan	1.58	\$4	-75.8%	Free	\$2.55	\$0.00
9 Argentina	0.26	\$2	0.0%	Free	\$7.69	\$0.00
10 Jamaica	0.98	\$2	0.0%	Free	\$2.04	\$0.00
Totals/Averages:	479.60	\$1,745	3.2%		\$3.64	\$0.00

U.S. Main Sources 1990
Gingerbread and the Like BreadU.S. Import Unit Costs for
Gingerbread and the Like Bread**Comments**

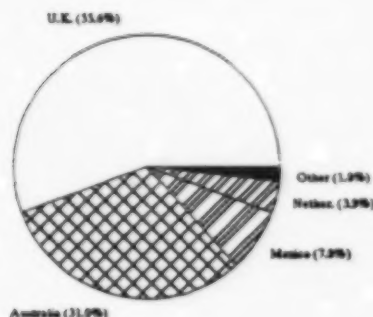
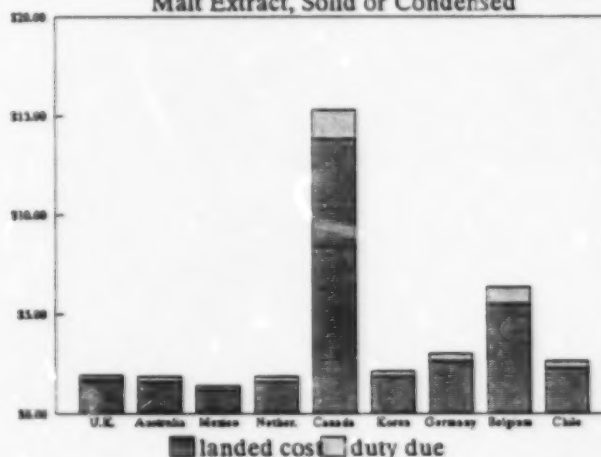
Total market size was \$1.7 million for 1990, with Canada the third largest supplier after Germany and Sweden. The top four suppliers to this market hold 93% market share. Canada has a competitive advantage per Kg of \$3.21 over Germany the highest cost supplier and \$0.17 over Sweden our next most significant competitor. All nations have free tariff access for this market.

*Rates of Duty: Free

Malt Extract, Solid or Condensed

HS Code: 1901.90.20.

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 U.K.	418.19	\$717	25.4%	15.00%	\$1.71	\$0.26
2 Australia	242.42	\$400	-31.0%	15.00%	\$1.65	\$0.25
3 Mexico	80.59	\$100	-1.0%	15.00%	\$1.24	\$0.19
4 Nether.	30.27	\$50	56.5%	15.00%	\$1.65	\$0.25
5 Canada	0.58	\$8	69.6%	10.50%	\$13.86	\$1.46
6 Korea	3.17	\$6	-46.6%	15.00%	\$1.89	\$0.28
7 Germany	1.51	\$4	0.0%	15.00%	\$2.65	\$0.40
8 Belgium	0.54	\$3	0.0%	15.00%	\$5.56	\$0.83
9 Chile	0.87	\$2	0.0%	15.00%	\$2.30	\$0.35
Totals/Averages:	778.14	\$1,290	-2.3%		\$1.66	\$0.25

U.S. Main Sources 1990
Malt Extract, Solid or CondensedU.S. Import Unit Costs for
Malt Extract, Solid or Condensed

Comments

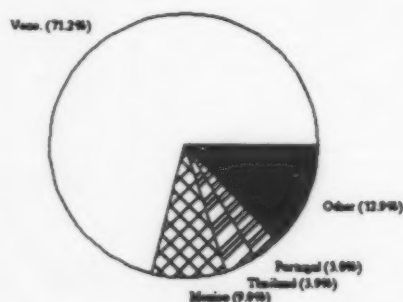
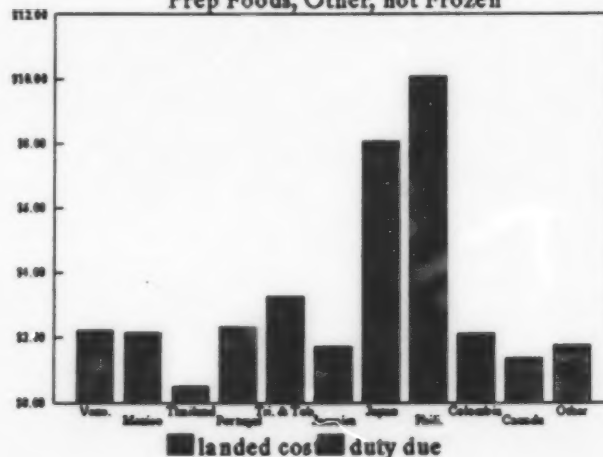
This product group had a value of \$1.3 million in 1990. Canada was the fifth largest supplier. The top three suppliers: U.K., Australia and Mexico had a combined market share of 94%. Canada's landed prices being highly out of line with the rest of the suppliers would suggest Canada is supplying a slightly different product. However, this is a product where Canada could realize an improvement in market share as a result of preferential tariffs. Mexico, the number three supplier, could, through the NAFTA, obtain a tariff treatment similar to Canada's.

*Rates of Duty: 15%; Free EIL; 10.5% CA

Prep Foods, Other, not Frozen

1904.90.00.40

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Vene.	346.90	\$770	0.0%	Free	\$2.22	\$0.00
2 Mexico	45.66	\$97	0.0%	Free	\$2.12	\$0.00
3 Thailand	81.77	\$42	-58.2%	Free	\$0.51	\$0.00
4 Portugal	16.80	\$33	184.3%	17.50%	\$1.96	\$0.34
5 Tri. & Tob.	6.81	\$22	0.0%	Free	\$3.23	\$0.00
6 Jamaica	11.02	\$19	0.0%	Free	\$1.72	\$0.00
7 Japan	2.62	\$18	64.5%	17.50%	\$6.86	\$1.20
8 Phil.	1.59	\$16	-60.0%	Free	\$10.06	\$0.00
9 Colombia	4.75	\$10	-3.5%	Free	\$2.10	\$0.00
10 Canada	4.97	\$6	-89.8%	12.20%	\$1.21	\$0.15
11 Other	32.95	\$49	-69.5%	17.50%	\$1.49	\$0.26
Totals/Averages:	555.85	\$1,082	177.8%		\$1.95	0.03

U.S. Main Sources 1990
Prep Foods, Other, not FrozenU.S. Import Unit Costs for
Prep Foods, Other, not Frozen**Comments**

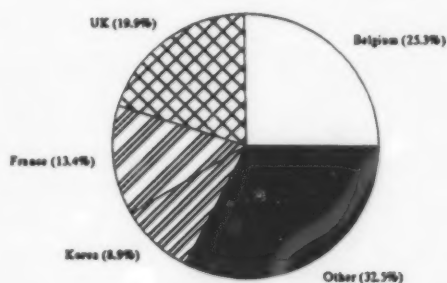
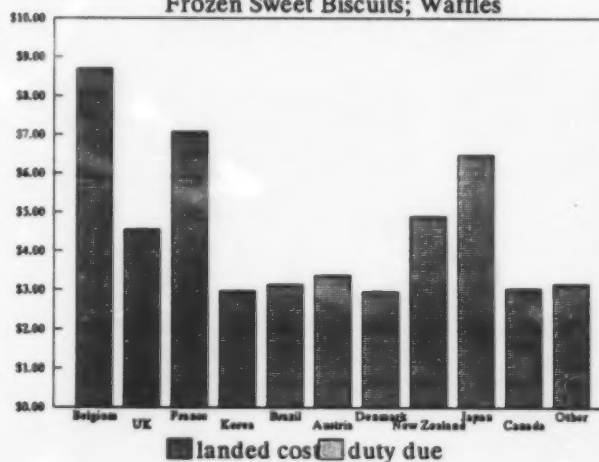
This may be a product group which could represent a market opportunity for Canada as the top three suppliers enjoy free tariff access as compares to Canada's rate of 12.20% for 1990.

Rate of Duty: 17.5%; Free AEIL; 12.2% C

Frozen Sweet Biscuits; Waffles

HS Code: 1905.30.00.20

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity (Kg)	Value (\$)			landed cost	duty due
1 Belgium	28.83	\$251	68.1%	Free	\$8.71	\$0.00
2 UK	43.58	\$198	-79.2%	Free	\$4.54	\$0.00
3 France	18.81	\$133	137.2%	Free	\$7.07	\$0.00
4 Korea	29.60	\$88	-42.9%	Free	\$2.97	\$0.00
5 Brazil	15.33	\$48	0.0%	Free	\$3.13	\$0.00
6 Austria	13.31	\$45	-18.6%	Free	\$3.38	\$0.00
7 Denmark	14.89	\$44	66.4%	Free	\$2.96	\$0.00
8 New Zealand	8.17	\$40	0.0%	Free	\$4.89	\$0.00
9 Japan	5.56	\$36	-75.6%	Free	\$6.48	\$0.00
10 Canada	1.98	\$6	-74.7%	Free	\$3.03	\$0.00
11 Other	32.95	\$104	-59.7%	Free	\$3.16	\$0.00
Totals/Averages:	213.00	\$993	-45.4%	0.00%	\$4.66	\$0.00

U.S. Main Sources 1990
Frozen Sweet Biscuits; WafflesU.S. Import Unit Costs for
Frozen Sweet Biscuits; Waffles

Comments

This product category represented a value of approximately \$1 million for 1990 but the overall market size has decreased 45% over 1989. Canada was the last place supplier of this product but it experienced a significant price advantage over many others of the major suppliers.

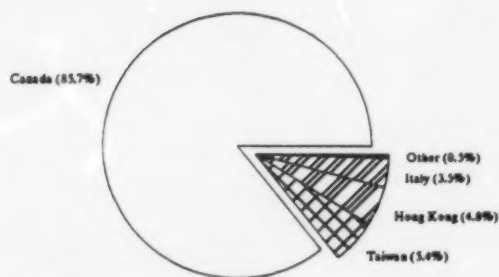
*Rates of Duty: Free

Pizza and Quiche

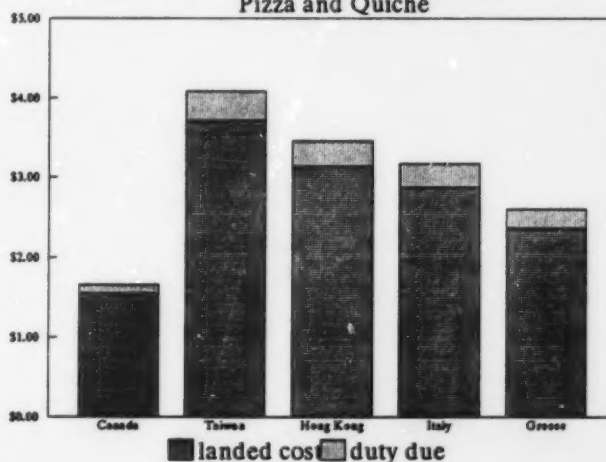
HS Code: 1905.90.90.60

U.S. Imports Country of origin:	1990 Imports.. (x 000)		% change in \$ from 1989	Rate of Duty*	Per unit...	
	Quantity(Kg)	Value(\$)			landed cost	duty due
1 Canada	409.76	\$635.24	2398.3%	7.00%	\$1.55	\$0.11
2 Taiwan	10.87	\$40.33	86.5%	10.00%	\$3.71	\$0.37
3 Hong Kong	11.45	\$35.94	3.4%	10.00%	\$3.14	\$0.31
4 Italy	9.09	\$26.16	-12.6%	10.00%	\$2.88	\$0.29
5 Greece	1.50	\$3.55	0.0%	10.00%	\$2.37	\$0.24
Totals/Averages:	443	\$741	323.1%		\$1.67	\$0.12

U.S. Main Sources 1990
Pizza and Quiche



U.S. Import Unit Costs for
Pizza and Quiche



Comments

Canada enjoys an 86% market share and has been dramatically increased its presents over 1989.

*Rates of Duty: 10%; Free AEIL; 7% C